

VOTE 1: MEETING MINUTES

Date of Meeting: September 19, 2024
 Start Time: 12:00 PM
 End Time: 2:43 PM

	Present?	Vote 1: Approval of Minutes (July 18, 2024)
Deborah Devaux*	X	X
Barbara Blakeney	X	X
Matilde Castiel	X	2 nd
Martin Cohen	X	X
David Cutler	A	A
Timothy Foley	X	X
Patricia Houpt	X	M
Ron Mastrogiovanni	X	X
Alecia McGregor	X	ab
Secretary Kate Walsh or Karen Tseng (Designee)	X	X
Secretary Matthew Gorzkowicz or Martha Kwasnik (Designee)	X	X
Summary	10 Members Attended	Approved with 10 votes in the affirmative

Presented below is a summary of the meeting, including time-keeping, attendance, and votes.

*Chairman

(M): Made motion; (2nd): Seconded motion; (ab): Abstained from Vote; (A): Absent from Meeting

Proceedings

A virtual meeting of the Health Policy Commission (HPC) was held on September 19, 2024 at 12 PM. Commissioners attended the meeting remote, via Zoom. A recording of the meeting and the meeting materials are available on the HPC's [website](#).

Participating commissioners who attended virtually were Ms. Deborah Devaux (Chair); Mr. Martin Cohen (Vice Chair); Ms. Barbara Blakeney; Dr. Mattie Castiel, Mr. Timothy Foley, Ms. Patricia Houpt; Mr. Ron Mastrogiovanni; Dr. Alecia McGregor, Ms. Karen Tseng, designee for Sec. Kate Walsh, Executive Office of Health and Human Services (EHS); and Ms. Martha Kwasnik, designee for Sec. Matthew Gorzkowicz, Executive Office of Administration and Finance (ANF).

Ms. Devaux began the meeting at 12 PM and welcomed the commissioners, staff, and members of the public viewing the meeting on the livestream.

Mr. David Seltz, Executive Director shared with commissioners that the Board meeting was milestone for the HPC as it was the HPC's 300th public meeting. He acknowledged the various types of public meetings the HPC has held thanked the commissioners for their involvement in the public meetings over the last 12 years.

ITEM 1: Approval of Minutes

Ms. Coleen Elstermeyer, Deputy Executive Director, managed the roll call vote to approve the minutes from the July 18, 2024 Board meeting. Ms. Houpt made the motion to approve the minutes and Mr. Cohen seconded it. The vote was taken by a roll call. The motion was approved.

ITEM 2: Steward Health Care Market Transactions

Mr. Seltz introduced the topic and Ms. Megan Wulff, Director, Market Oversight and Monitoring, provided an update on the ongoing review of the sales of the various parts of the Steward Health Care system since the HPC's last Board meeting. For more information, see slides 6-18.

Ms. Devaux asked if the acquisition of Stewardship Health by Rural Healthcare Group (RHG) and Kinderhook Industries included the employees that worked in the physician's offices as well. Ms. Wulff said that the acquisition includes primary care physicians and specialists who have patient panels but specialists in office-based clinics that are affiliated with the Steward hospitals are not included in the physician sale.

Mr. Cohen asked if there were any other states monitoring or completing a regulatory review of RHG where they are seeking to acquire practices. Ms. Wulff said that there were none she was aware of. Ms. Kate Scarborough Mills, Senior Director, Market Oversight and Transparency also responded that there is an ongoing federal review of RHG.

Dr. McGregor asked if staff knew more about RHG and Kinderhook's long-term strategy in regard to this acquisition, if there was information regarding how long the company plans to be in Massachusetts and how long they plan to hold onto the Stewardship Health investment. Ms. Wulff responded that the HPC has the authority to ask those questions to RHG and Kinderhook and that staff are currently in discussions with the two parties. She said that staff would be happy to meet and discuss their findings from those discussions confidentially at a later date. Mr. Seltz also commented that the questions Dr. McGregor asked were the same questions the HPC would be discussing with the parties during its review.

Ms. Blakeney asked about the Stewardship Health physician group and the practices including other employees besides physicians, she asked if the transaction with RHG is designed to include an office's entire staff and support personnel as well. Ms. Blakeney also asked if the HPC would be able to predict if the acquisition would have an impact on physician's inpatient privileges at existing hospitals in Massachusetts. Ms. Wulff said these are areas of discussion with the parties. She explained that the HPC has looked further into the connection between the Steward physicians and the hospitals to see what percentage of visits for the primary care patients of Steward physicians take place at Steward hospitals, and what percentage of outpatient visits at Steward hospitals come from patients of Steward physicians. She said that, in both directions, they are important referral partners for one another and that she anticipates there would not be an incentive to disrupt those referral relationships. She noted that the HPC will look further into the impact of the transactions on the relationship between the physicians and the hospitals during the review.

Dr. McGregor acknowledged that the remaining Steward hospitals would be run by non-profit operators, which is encouraging for her, but expressed concern over the for-profit acquisition of the Steward physician group. She asked if there were ways the HPC could hold the parties accountable to do right by patients and doing right by the people of the Commonwealth, especially in the absence of oversight authority. Ms. Wulff said that once the two parties are providers in Massachusetts they would be subject to all of the HPC's reporting requirements, they would have to report into the HPC's Registration of Provider Organizations program, they could be required to testify at the annual Cost Trends Hearing, and they could be analyzed in the HPC's performance review process, to the extent that their health care expenditures are above the benchmark. Ms. Wulff also said that the HPC will be watching the organization closely and during the review process the HPC will require assurances that the two parties plan to work with the agency moving forward. Ms. Devaux added that the leadership of RHG and Kinderhook have been in discussion with the HPC and have indicated their interest in understanding the agency's expectations for them. She added that the parties have made it clear that they want to be understood for their track record and performance, especially considering the concerns Massachusetts has around private equity investment in health care and what the investments mean for the long-term health of these organizations.

Mr. Cohen asked about the deadline for the projected closing of the sale of Steward's physician group to RHG. Ms. Wulff said that RHG is aiming to close on October 30.

Ms. Wulff turned to Ms. Mills to provide a brief overview of the HPC's material change notice (MCN) review process. For more information, see slides 16-18.

Mr. Foley said that when thinking about the factors reviewed during the MCN review process, including impacts to cost, quality and access, his particular interest in this transaction is around access – especially considering the closure of Carney and Nashoba Valley Hospitals – and the impact on various communities' access to care. He said that with the remaining hospitals, it is important to have a clear understanding during the review process of the potential impacts to access and service lines and if there are any plans to change that. He said with the HPC's review process there should be a clear commitment to maintaining access to services in those communities and being upfront about any future changes to these health care services. Mr. Foley acknowledged that the HPC would be discussing recommendations about health planning and highlighted that the Steward situation illustrated the need for a better way to plan for health care services and what's needed throughout the state. Ms. Wulff thanked Commissioner Foley for his remarks and stated that staff have the same priorities and goals for these transaction reviews and that maintaining access and having a smooth operational transition is critical to the HPC.

Mr. Cohen asked if there was any update or information on Steward's closed Norwood Hospital. Ms. Scarborough Mills said that the Norwood Hospital was separate from the bankruptcy proceeding so it is separate from this transaction and review process.

Ms. Blakeney said that she hopes the HPC can be rigorous with the review of RHG and Kinderhook and their past history, especially their history in acquiring health care organizations and tracking what happens after a transaction. Ms. Wulff noted that is also a priority for the HPC.

Dr. McGregor asked what would happen if a red flag came up during the review process and what next steps would be taken. Ms. Scarborough Mills said that at this stage in the process, HPC staff is currently gathering and analyzing findings and will report those findings back to HPC leadership and the Board. She said if a red flag were to be raised, staff would connect with commissioners and it would ultimately be part of the decision-making process on whether or not to conduct a cost and market impact review.

Ms. Devaux provided a brief recap of the commissioner's discussion and their areas of concern regarding the review of the sales of the Steward hospitals and physician group.

Dr. Castiel added that she is concerned about the communities and who particularly is being impacted by the hospital closures as well as how these circumstances will have more widespread issues for health care, and the impact of for-profit entities within the entire health care system.

Mr. Seltz provided closing remarks on the topics and recapped the comments and concerns of the commissioners.

Dr. McGregor asked if the HPC could share more with commissioners about explicitly what dimensions of equity will be asked of RHG and Kinderhook including racial equity, income and wealth equity, and geographic equity and how the agency and state can hold them accountable. Mr. Seltz said that he will connect with Dr. McGregor offline to discuss those concerns further.

ITEM 3: 2024 Health Care Cost Trends Report: Discussion of Findings and Recommendations

Mr. Seltz provided an overview of the HPC's Annual Health Care Cost Trends Report and the topics of the presentation. Mr. Seltz turned to Dr. David Auerbach, Senior Director, Research and Cost Trends to review and discuss the initial findings outlined in the upcoming 2024 Health Care Cost Trends Report. For more information, see slides 19-73.

Ms. Houpt asked about the shift in surgeries from inpatient to hospital outpatient departments (HOPDs) and if there was a change in pricing differential from the shift of care settings. Dr. Auerbach said that the topic would be discussed later in the report and stated that one example will focus on knee replacement surgeries and the shift from inpatient to outpatient during the analyzed period of time. He said that in that circumstance the price shifted from about \$30,000 for inpatient surgery to about \$20,000 for outpatient surgery, so in that case the average cost of a knee replacement surgery has gone down based on the setting.

Mr. Foley asked about the dates of the research for the commercial spending analysis (2017-2019 vs 2019-2022) and the impact and implications of comparing spending trends during the years of the Covid pandemic. Dr. Auerbach said that the analysis shows an average of annual of the full time period, noting that the annual growth evens out because of the drop in spending in 2020 and increase in 2021 and that between 2021-2022 the impact from Covid is not as significant. He said that when smoothing out the three-year period overall Covid is not as big of impact on health care trends, but it is dependent on types and settings of care.

Dr. McGregor asked if ambulatory surgery centers were included in the data presentation and shift in surgery settings. Dr. Auerbach said that he would have to confirm with the research team as to whether ambulatory surgery centers are included under hospitals but noted that it is further broken down within the Cost Trends Report.

Mr. Foley said in regard to variation in spending by provider organization, it would be interesting to see the demographics of the patient populations served by the various providers. He said that from a health equity standpoint it would be interesting to see the variation in spending by provider organization, from \$10,000 to \$7,000, and what the patient population looks like. Dr. Auerbach said that in this year's provider organization variation chartpack there are characteristics of the patient populations that each of the providers serve.

Dr. McGregor asked for an example of low-value care or more common low value care procedures. Dr. Auerbach said that there has been an expansion on the range of low value care measures over the year and provided the examples of imaging, spinal injections for lower back pain, and preoperative imaging or lab tests in certain clinical scenarios which are known to not have a benefit to patients.

Dr. Auerbach turned to Ms. Yue Huang, Senior Manager, Research and Cost Trends to provide an overview of the highlights from the Primary Care and Behavioral Health chartpack.

Dr. Castiel noted that in regard to the data regarding commercially insured adults filling anti-depressant prescriptions, it would be interesting to know the race and ethnicity demographics among the various age groups and who is getting these kinds of medications.

Ms. Devaux commented on the topic of low-value care and how it would be valuable if going forward the agency could differentiate the low value care that does not need to happen because those interventions do not provide clinical benefits, like the examples provided by Dr. Auerbach, and differentiate if those occur due to being at the wrong site of care. She said it would be helpful to have that information to know if care was needed and provided within a higher cost setting or if the intervention was not needed at all.

Dr. Auerbach provided an overview of the final chartpack section on hospital utilization and post-acute care.

Mr. Foley asked if the data regarding the inpatient stays declining included all payers and Dr. Auerbach confirmed. Mr. Foley also asked if there was a way to account for the increase in cost at skilled nursing facilities given the increase in length of stay. Dr. Auerbach said that how long the patient stays should generally not impact the cost payers pay, usually it is a fixed amount, but additional lengths of stay usually are more costly on the hospital. Mr. Seltz noted that hospitals acknowledged the utilization challenges and workforce challenges outlined in the presentation.

Mr. Foley noted that the workforce challenges that impact hospital utilization rates are especially within home health care and long-term care sectors. He said that those industries have relied on low-wage workers

to provide care in these settings and individuals cannot afford to work for low-wages and there are obstacles to being qualified to work in these settings of care.

Mr. Cohen noted that the same patient capacity issues and workforce challenges in hospitals and various care settings also are within behavioral health care sector.

Dr. McGregor asked about average length of stay increases at certain times of the year, noting that there are some spikes in the length of stay for patients which appear seasonally, and asked if there was a proposed explanation for the spikes in the data. Dr. Auerbach said that in this data looking at length of stay in hospitals you are seeing spikes in Covid and surge of people who went to the hospital during 2020 and during the Omicron surge in 2022, he noted that in 2023 the average length of stay does appear to decrease.

Dr. Auerbach introduced a new topic within the 2024 Cost Trends Report, focused on intensity of care in Massachusetts, he then turned to Dr. Sasha Albert, Associate Director, Research and Cost Trends to share the initial findings.

Mr. Seltz provided an overview of the next steps for the HPC's Health Care Cost Trends Report and shared the agency's proposal for the 2024 policy recommendations. For more information, see slides 76-78. Mr. Seltz opened the discussion with commissioners to provide input on the upcoming policy recommendations.

Ms. Devaux said that the timing of this year's policy recommendations come at a critical point as the Commonwealth is understanding the challenges caused by the Steward Health Care crisis and acknowledging the issues that other providers in the state are facing. She said that these policy recommendations can shape what to do moving forward to change the current circumstances.

Mr. Cohen agreed with Ms. Devaux and the goals of the proposed policy recommendations. He added that there should be a preamble to the recommendations acknowledging how fragile the health care system currently is and given the challenges brought forth by Steward not acting on the recommendations will come at the price for the state. Ms. Devaux stated that understanding what the state needs is the next steps and underscored the importance of state health planning to better address these issues.

Dr. McGregor said that given the particular ongoing issue within the state's health care system, it makes sense for the recommendations to address those issues and acknowledged the importance of paying special attention to compliance enforcement and the tools to stop hospitals and businesses from adhering to their own rules.

Mr. Foley said when addressing financing inequities and long-standing health care market dysfunctions the state needs better and robust tools of oversight and alignment between various regulatory agencies and their roles and goals in overseeing the health care market. He acknowledged the importance of the policy recommendations especially within the ongoing issues with Steward and market dysfunctions caused by private-equity investment.

Ms. Houpt emphasized the importance of revitalizing state health planning and said that the issues regarding Steward Health Care have caused her to reflect on imagining the health care delivery system and stated that the HPC can use data to reimagine what new health care delivery settings could look like within the Commonwealth, especially utilizing unused facilities and buildings across the state to deliver care to communities based on the community's needs.

Ms. Devaux provided closing remarks on the commissioner’s comments and reminded commissioners that they will have an additional opportunity to review and discuss this year’s policy recommendations at the next Board meeting.

ITEM 4: HPC’s New Behavioral Health Workforce Center

Ms. Elstermeyer introduced to commissioners the HPC’s new Behavioral Health Workforce Center (BHWC) and the initial activities, goals, and mission of the HPC’s BHWC. Ms. Elstermeyer then introduced Ms. Amy Doyle as the newly hired Director of the BHWC. Ms. Doyle provided an overview of the priority workstreams and research agenda for the BHWC. Ms. Elstermeyer then provided an overview of the next steps for the BHWC. For more information, see slides 79-87.

Ms. Blakeney welcomed Ms. Doyle to the HPC and acknowledged the potential impact that the new BHWC will have on behavioral and mental health in the Commonwealth. Mr. Cohen also welcomed Ms. Doyle and acknowledged Ms. Elstermeyer for hiring her.

Dr. McGregor said that she would be interested to know more about the procurement process of the Behavioral Health Workforce Advisory Group and the composition of the group considering the impact of behavioral health issues for people of color and the disproportionate challenges people of color face with access to behavioral health care and increasing access and services in low-income, vulnerable communities. Ms. Elstermeyer said that there is guidance in proposed legislation for the composition of the advisory group and the HPC is seeking to have a statewide representation on the new advisory group.

Ms. Tseng thanked the HPC for its partnership with EOHHS and the collective work done by the agency, commissioners and staff.

Ms. Elstermeyer turned to Ms. Nancy Ryan, Director, Office of Patient Protection, to provide an overview of an upcoming report, *Analysis of the Effects of Behavioral Health Managers on the Commonwealth’s Health Care Delivery System*. For more information, see slides 88-89.

ITEM 5: Executive Director’s Report

Ms. Devaux turned the meeting over to Ms. Elstermeyer to begin the Executive Director’s report portion of the meeting. Ms. Elstermeyer turned to Ms. Scarborough Mills to provide an overview of the MCNs received since the last Board meeting and updated MCN guidance regarding employment for health care professionals. For more information, see slides 91-99.

Mr. Seltz provided a brief legislative update on recently enacted legislation, the HPC’s upcoming publications and reviewed the HPC’s schedule of upcoming meetings. The HPC Board will next meet on **Thursday, October 10, 2024**. The HPC’s 2024 Health Care Cost Trends Hearing will take place on **Thursday, November 14, 2024** at Suffolk University Law School.

ITEM 6: Adjourn

The meeting adjourned at 2:43 PM.